

Supporting Statement for the Consumer Satisfaction Questionnaire (FR 1379; OMB No. 7100-0135)

Summary

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, without revisions, the Consumer Satisfaction Questionnaire (FR 1379; OMB No. 7100-0135). The voluntary questionnaire is sent to consumers who have filed complaints against state member banks. The questionnaire is used to determine whether complainants are satisfied with the way the Federal Reserve System handled their complaints and to solicit suggestions for improving the complaint investigation process. The total amount of annual burden for respondents is estimated to be 195 hours.

Background and Justification

The Federal Trade Commission Improvement Act (15 U.S.C. §57(a)(f)(1)) mandates that the Federal Reserve System receive and investigate consumer complaints involving state member banks. Complaints against state member banks are filed either with the Board or directly with the appropriate Federal Reserve Bank. Complaints involving state member banks are forwarded for investigation to the Federal Reserve Bank with direct supervisory responsibility for the bank. Complaints against institutions regulated by other agencies are forwarded to the federal or state agencies with direct supervisory responsibility for those institutions.

A 1976 staff report by the Subcommittee on Consumer Affairs of the House Committee on Banking, Currency and Housing recommended the periodic evaluation of the Federal Reserve's complaint-handling system. In response, the Federal Reserve developed the Consumer Satisfaction Questionnaire in May 1977 to be sent to consumers whose complaints involve state member banks. Completion of the questionnaire is voluntary. The questionnaire has been revised from time to time to assess consumer attitudes more accurately.

In 1999, the questionnaire was significantly revised (Attachment 1) to capture information about the demographic characteristics of complainants and to collect more detailed information. Its distribution was also broadened to include complainants who lodged their complaints directly with the Reserve Banks. Prior to 1999, surveys were sent only to those consumers who filed their complaints with the Federal Reserve Board. The responses to the questionnaire aid staff in developing a "complainant profile" of the types of consumers who have filed complaints against state member banks and in identifying gaps in the Federal Reserve's communication, outreach, and customer service efforts. Overall, respondents to the questionnaire are older with higher incomes and higher education levels than the average person residing in the United States. Relative to the population of the United States, a higher proportion of the respondents are minority. Results such as these will help staff target efforts to reach younger and low-to-moderate income households in the future.

After the Federal Reserve Bank completes the complaint investigation and sends a written response to the complainant, Board staff sends the questionnaire to the complainant. Board staff may also send the questionnaire to a sample of consumers who filed complaints directly with a Federal Reserve Bank as part of an operations review of that Federal Reserve Bank. The information requested in the questionnaire is not available from any other source.

Description of Information Collection

The respondent universe consists of all consumers who have filed complaints against state member banks, whether the complaint was received at the Board or at a Reserve Bank. When a complaint has been resolved, Board staff mails the complainant a questionnaire with a self-addressed, postage-paid envelope. The questionnaire indicates that a response is optional, but would help in monitoring the effectiveness of the Federal Reserve's complaint-handling program.

The questionnaire asks consumers to indicate their level of satisfaction with various aspects of Reserve Banks' investigations using descriptors such as "very satisfied," "neither satisfied nor dissatisfied," and "very dissatisfied." It also asks consumers how the assistance provided compared to the consumers' expectations of the service they thought they would receive. Consumers are asked to explain any responses that reflect dissatisfaction with the program. The questionnaire includes questions on whether consumers had taken steps to resolve their complaints prior to contacting the Federal Reserve. The questionnaire also includes questions about demographic characteristics of the complainant such as gender, income, and race. The questionnaire provides the only opportunity to collect this information.

Based on the responses to the questions and on any additional comments or suggestions offered, Board staff works with the Reserve Banks to address problems noted by the complainants.

Time Schedule for Information Collection and Publication

There is no established time schedule for completing the questionnaire because the respondents are private citizens. Completed questionnaires are stored with related correspondence at the Federal Reserve Board and the results are recorded in the Federal Reserve Board's consumer complaint and inquiry database. These files are part of the Division of Consumer and Community Affairs' Consumer Complaint Information System. This system is maintained in compliance with the Privacy Act of 1974 and OMB Circular A-108, "Responsibilities for the Maintenance of Records about Individuals by Federal Agencies."

The responses to the questionnaires are tabulated and summarized annually. The results may be published in the Board's Annual Report to Congress about its responsibilities and activities under the Federal Trade Commission Improvement Act. Also, the Board staff periodically publishes papers, articles, and studies using consumer response data from the questionnaire and from the consumer complaint database.

Legal Status

The Board's Legal Division has determined that the FR 1379 is authorized by law (15 U.S.C. §57(a)(f)(1)) and is voluntary. While the individual respondent's information is confidential, once such information has been aggregated, the aggregated information is not considered confidential. The information may be aggregated with responses from other respondents and released in statistical format while maintaining the privacy of the individual respondents. If a respondent provides information not specifically solicited on the form, that information may be exempt from disclosure under the Freedom of Information Act (5 U.S.C. §§ (b)(4), (b)(6), or (b)(7)) upon specific request from the respondent.

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Estimates of Respondent Burden

As shown in the table below, the current annual total reporting burden for the FR 1379 is estimated to be 195 hours. Based on 2000 data and staff experience, about 25 percent of the questionnaires sent to complainants are returned to the Federal Reserve Board. It is estimated that the questionnaire takes about twenty minutes to complete. The proposed burden hours represents less than 1 percent of total System burden for all Federal Reserve information collections.

	Number of respondents	Estimated annual frequency	Estimated average hours per response	Estimated annual burden hours
Current	592	1	20 minutes	195

Based on a rate of \$20 per hour for the FR 1379, the estimated cost to the public for the report is \$3,900.

Sensitive Questions

This questionnaire contains no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The total annual cost to the Federal Reserve System for the printing, distributing, and processing of this questionnaire is negligible.

Attachment